

FW: Committee on Finance-Budget: October 13, 2021 Referral Request**Brown-Martin, Donna** <Donna.BrownMartin@milwaukeecountywi.gov>

Mon 18-Oct-21 4:23 PM

To: Rolland, Shawn <Shawn.Rolland@milwaukeecountywi.gov>; Brown, Shanin <Shanin.Brown@milwaukeecountywi.gov>**Cc:** Rodgers, John <John.Rodgers@milwaukeecountywi.gov>; Geiger, Anthony <Anthony.Geiger@milwaukeecountywi.gov>

Good after Supervisor Rolland,

During MCDOT's presentation on our budget and my response to questions on my Department's budget, you raised the question surrounding DOT's fiscal cliff. MCDOT's fiscal cliff is anticipated in 2023 or 2024 for our MCTS Transit activities when we spend down our stimulus funds to support transit operations during the pandemic. The funding we received consist of CARES, CRSSAA and AARPPA funds to assist with a multi-year response to and recover from the pandemic. Funds awarded include:

- FY 2020 \$54,928,728 In Cares Act funding
- FY 2021 \$52,874,571 In CRSSA (Coronavirus Response & Relief supplemental funding)
- FY 2022 \$83,620,910 In ARPA (American Rescue Plan Funding)
- (Note 2021: Legislative budget reduction of \$32M in 2021).

So what does that mean for transit and a fiscal cliff in 2024 potentially, it means we have enough funding to address full transit operational needs in terms of route implementation, salaries, Capital (including bus purchases), project development through to fiscal year 2024. This is "one-time" only funding and once those dollars are spent, we are back relying on tax levy and state operating assistance funding.

. The answer of course centers on Transit's budget and the two factors that feed into the potential "gap" we will see in 2024.

1. Ridership – if ridership remains low and does not rebound then we will continue to see impacts to passenger revenue. Currently, ridership is down 50% across the system.
2. Inflationary cost increases are offset by "one-time" dollars obtained through federal funds sent to help transit agencies work through the pandemic crisis. While these pandemic subsidies help in the short-term to address immediate operational needs, they do nothing to address our long-term structural concerns.
3. It really depends on how fast we spend the dollars and how fast cost goes up over the next 3 years, we project a potential \$20M gap in funding in 2024. This is all based on assumptions we and hopes that we can meet the challenge once we have spent all of the stimulus funding. I would like to walk you through the information we have pull together on our estimates and assumptions but all I can provide right now is my best guess.

Please let me know if I can provide further information.

**Donna Brown-Martin** | Director

Milwaukee County Department of Transportation

10320 W. Watertown Plank Road, Wauwatosa 53226

(414) 257-5987o. | (414) 551-9260c. |

Donna.Brownmartin@milwaukeecountywi.gov

From: Brown, Shanin <Shanin.Brown@milwaukeecountywi.gov>
Sent: Thursday, October 14, 2021 11:42 AM
To: Brown-Martin, Donna <Donna.BrownMartin@milwaukeecountywi.gov>
Cc: Esch, Julie <Julie.Esch@milwaukeecountywi.gov>; Haas, Jason <Jason.Haas@milwaukeecountywi.gov>; Rolland, Shawn <Shawn.Rolland@milwaukeecountywi.gov>; Jensen, Janelle <Janelle.Jensen@milwaukeecountywi.gov>; Bablitch, Kelly <Kelly.Bablitch@milwaukeecountywi.gov>; Meyers, Mary Jo <MaryJo.Meyers@milwaukeecountywi.gov>; Smith, Allyson <Allyson.Smith@milwaukeecountywi.gov>; Evans, Kelsey <Kelsey.Evans@milwaukeecountywi.gov>; Cady, Steve <Stephen.Cady@milwaukeecountywi.gov>
Subject: Committee on Finance-Budget: October 13, 2021 Referral Request

Good morning-

The following request was made at the October 13, 2021, meeting of the Committee on Finance-Budget regarding Item 13, and is included on page 12 of the [Finance-Budget 10/13/21 Meeting Minutes](#).

[Org. Unit 5800 Department of Transportation – Director’s Office]

Supervisor Rolland requested information regarding the DOT fiscal cliff, specifically where the impacts may be.

If you require additional clarity, please contact the requesting Supervisor.

Video from the October 13, 2021, Budget meeting is available here: [Finance-Budget 10/13/21 Meeting Video-Item 13](#).

Please include me in your official response to this request for additional information. If you have already responded, please forward that response to me.

All follow-up reports regarding the 2022 Recommended Budget will be appended to [Legistar File No. 21-965](#) and will be discussed at the Monday, October 18, 2021, Public Hearing.

Best,



Shanin R. Brown | Committee Coordinator
Legislative Services Division, Office of the County Clerk
901 North 9th Street, Room 105, Milwaukee, WI 53233
(414) 278-4073 county.milwaukee.gov

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